

Message Text

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PAGE 01 OECD P 06545 01 OF 02 132048Z

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ACTION EUR-12

INFO OCT-01 ISO-00 IO-10 OMB-01 TRSE-00 ABF-01 CIAE-00

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R 132033Z MAR 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 5955

LIMITED OFFICIAL USE SECTION 01 OF 02 OECD PARIS 06545

E.O. 11652: N/A

TAGS: OECD

SUBJECT: NEW RESIDENCE FOR SECRETARY-GENERAL

REF: STATE 196405L, SEPT. 4, 1974

1. SUMMARY. FRENCH AMBASSADOR VALERY (DEAN OF OECD'S CORPS OF PERMREPS) CONVENED SPECIAL MEETING OF HEADS OF DELEGATION ON MARCH 3 TO HAVE PRELIMINARY DISCUSSION ON PROPOSED ACQUISITION OF NEW OFFICIAL RESIDENCE FOR SEC GEN. GENERAL AGREEMENT WAS THAT EXISTING RESIDENCE COMPLETELY INADEQUATE FOR REPRESENTATIONAL REQUIREMENTS OF SEC GEN AND THERE WAS GENERAL SYMPATHY FOR ACQUISITION PROPOSED NEW RESIDENCE. /NOTING BROAD CONSENSUS ON ISSUE, AMBASSADOR VALERY SUGGESTED NEED FOR INSTRUCTIONS AT EARLY DATE TO PROVIDE AGREEMENT IN PRINCIPLE FOR ACQUISITION NEW RESIDENCE AND CALLED ON SECRETARIAT DISTRIBUTE FULL DETAILS ON PROPOSED ACQUISITION AND OBTAIN OBJECTIVE FINANCIAL APPRAISAL OF PROPERTY FROM APPROPRIATE FRENCH GOVERNMENT AGENCY. END SUMMARY. ACTION REQUESTED: REQUEST INSTRUCTIONS PERMIT MISSION SUPPORT ACQUISITION NEW OFFICIAL RESIDENCE ALONG LINES PARA 4.

2. DIRECTOR-GENERAL JACOMET IS REQUESTING AUTHORIZATION TO PURCHASE NEW RESIDENCE FOR SEC GEN AND RECOMMENDS PURCHASE OF APARTMENT LOCATED AT 55, AVENUE FOCH. RATIONALE GIVEN FOR NEW OFFICIAL RESIDENCE WAS THAT
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PAGE 02 OECD P 06545 01 OF 02 132048Z

EXISTING APARTMENT HAD PROVEN TO BE QUITE INADEQUATE

BECAUSE OF SMALL SIZE AND POOR LOCATION. THE PROPOSED FOUR BEDROOM APARTMENT WITH 360 SQUARE METERS HAS AMOUNT OF REPRESENTATIONAL SPACE DEEMED NECESSARY FOR OFFICIAL RESIDENCE AND IS WELL LOCATED. THE REPRESENTATIONAL AREAS - DRAWING ROOM, DINING ROOM, LIBRARY AND LARGE ENTRY HALL - EMBRACE 154 SQUARE METERS. THIS RESIDENCE WOULD PROVIDE 50PCT MORE REPRESENTATIONAL SPACE THAN DOES PRESENT RESIDENCE. COST OF PROPOSED APARTMENT WOULD BE 3,500,000 (\$823,000 AT 4.25 FR. PER \$1.00) WHILE SALE OF OLD APARTMENT WOULD YIELD 1,300,000 FRANCS FOR NEW ACQUISITION COST OF 2.2 MILLION FRANCS. PROPOSED PURCHASE WOULD NEED TO BE COVERED BY INCREASE IN ORGANIZATION'S APPROPRIATION LEVEL FOR THIS YEAR OR COULD BE DISTRIBUTED OVER TWO OR THREE FINANCIAL YEARS.

3. MOST DELEGATIONS BELIEVED THAT SECGEN HAD MADE STRONG CASE THAT PRESENT RESIDENCE, FROM REPRESENTATIONAL VIEWPOINT, WAS COMPLETELY INADEQUATE AND THEY FELT IT WAS NOT OF THE SAME STANDARD AS THOSE OCCUPIED BY MANY OF THE AMBASSADORS TO OECD. IN ADDITION, FRENCH AMBASSADOR OBSERVED THAT PRESENT RESIDENCE WAS BELOW THAT ACCORDED TO HEADS OF COMPARABLE ORGANIZATIONS AND THAT DECISION SHOULD BE ON BASIS OF NEEDS OF ORGANIZATION WITH CONSIDERATION FOR NEEDS OF PRESENT SECGEN AND RECRUITMENT REQUIREMENTS FOR C SUBSEQUENT SECGENS. LARGE MEASURE OF SUPPORT WAS DISPLAYED FOR PRINCIPLE OF ACQUIRING MORE SUITABLE OFFICIAL RESIDENCE FOR SECGEN BUT FIRM DECISION ON RESIDENCE DESCRIBED PARA 2 WILL NOT BE CALLED FOR UNTIL FULL DETAILS ON PROPOSED ACQUISITION ARE CIRCULATED TO AN EXAMINED BY ALL DELEGATIONS. BACKGROUND PAPERS RECEIVED TODAY AND POUCHED TO EUR/RPE.

4. YOU WILL NOTE IN THE LETTER FROM THE DIRECTION DES SERVICES FONCIERS DE PARIS THAT THERE IS A SUBSTANTIAL DIFFERENCE BETWEEN THEIR ESTIMATE ON THE VALUE OF THE APARTMENT AND THE ASKING PRICE FOR THIS PROPERTY. THE DIFFERENCE CAN BE EXPLAINED PARTIALLY BY THE TRADITIONALLY LOW ESTIMATES PREPARED BY THIS GOVERNMENT AGENCY AND THE SOMEWHAT HIGH ASKING PRICE OF THE OWNER. IT MAY BE PERTINENT TO NOTE THAT THE BRITISH AMBASSADOR WAS LIMITED OFFICIAL USE

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PAGE 03 OECD P 06545 01 OF 02 132048Z

OFFERED A SIMILAR APARTMENT (BUT ONE ON A LOWER FLOOR) AT THE SAME ADDRESS SOME TWO YEARS AQO AT A PRICE OF 2,300,000 FRANCS. GIVEN THE REPORTEDLY SHARP INCREASES IN FRENCH REAL ESTATE MARKET IN THE INTERVENING PERIOD THIS WOULD INDICATE THAT THE FRENCH GOVERNMENT AGENCY'S APPRAISAL IS UNREALISTICALLY LOW.

5. I BELIEVE US SHOULD SUPPORT SECGEN REQUEST FOR

FOLLOWING REASONS: A) I AGREE WITH VIRTUALLY UNANIMOUS
VIEW OF PERMDELS

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PAGE 01 OECD P 06545 02 OF 02 132049Z

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VIEW OF PERMDELS THAT EXISTING RESIDENCE IS WHOLLY IN-
ADEQUATE. VAN LENNEP HIMSELF ACCEPTED PRESENT APART-
MENT IN HASTE WHEN HE FIRST ARRIVED TO ASSUME OECD LEAD-
ERSHIP AND AFTER SOME TIME ON THE JOB HAS CONCLUDED
THAT IT WAS INADEQUATE FOR HIS NEEDS. B) IT IS
IMPORTANT TO US INTERESTS THAT OECD SECGEN BE ABLE TO
FACILITATE INTERNATIONAL ECONOMIC COOPERATION THROUGH
APPROPRIATE REPRESENTATIONAL ACTIVITIES. //E FY#
CANNOT NOW DO THIS. C) GIVEN INCREASED IMPORTANCE
OF OECD IN INTERNATIONAL DELIBERATIONS, US SHOULD NOT
TAKE POSITION WHICH IN EFFECT WOULD DENY SECGEN THE
STATUS HIS POSITION SHOULD COMMAND, MAKE RECRUITMENT
OF APPROPRIATELY HIGH CALIBER SUCCESSOR MORE
DIFFICULT, AND ALLOW VAN LENNEP TO CONCLUDE THAT US IS
DISSATISFIED WITH HIM PERSONALLY AND/OR WITH HIS ORGAN-
IZATION. MOREOVER, IT WOULD BE POLITICALLY UNDESIRABLE
FOR THE US TO BE PLACED IN POSITION OF BEING OUT FRONT
IN OPPOSING PURCHASE OF NEW OFFICIAL RESIDENCE. D) I
THINK WE SHOULD REQUIRE THE ORGANIZATION TO ENGAGE IN
SOME HARD-NOSED BARGAINING OVER PRICE. HOWEVER, WITH
THIS QUALIFICATION, WE SHOULD GIVE THE ORGANIZATION'S

LEADER THE REPRESENTATIONAL AND SYMBOLIC ATTRIBUTES
WHICH WILL HELP HIM DO THE VERY IMPORTANT JOB WHICH
24 COUNTRIES HAVE ENTRUSTED TO HIM.
TURNER
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PAGE 02 OECD P 06545 02 OF 02 132049Z

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